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E.O. 12958: DECL: AFTER KOREAN REUNIFICATION
TAGS: PREL PGOV ECON KS KN
SUBJECT: AMBASSADOR'S MEETING WITH FM BAN: NORTH KOREA,
ENVIRONMENTAL MEDIATION, BOEING ADVOCACY AND FTA

REF: A. SEOUL 1323

¶B. SEOUL 1329

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b/d)

(C) Summary: In their April 21 luncheon meeting, the Ambassador and Foreign Minister Ban discussed several bilateral and North Korea-related issues (see refs for discussions on ROK-Japan relations and Ban's candidacy for UNSYG). On North Korea, Ban said Seoul intended to raise human rights at the current inter-Korean ministerials; he emphasized that there was no gap between Seoul and Washington on goals and objectives, although differences in tactics and approaches remained. On the six North Korean refugees in Bangkok, Ban said MOFAT would be helpful in accommodating our requests. Regarding USFK's environmental remediation offer, Ban believed that President Roh would have to make the decision, because there was too much gap between various ROK ministries. On the U.S.-ROK FTA, Ban was quite optimistic, although he lamented the fickleness of some South Korean politicians--but not President Roh. The Ambassador pressed the Foreign Minister to agree to the current USG offer on environmental remediation. He also sought to promote Boeing's AWACS on technical merits and alliance considerations. End Summary.

North Korea: KIC, Refugees and Human Rights

- 12. (C) Noting that Unification Minister Lee Jong-seok was headed for Pyongyang for the North-South ministerials, Ban said Lee did not appear to be optimistic there would be substantial results. Ban said that Lee would raise human rights issues with his counterpart. South Korea was fully aware that its position on North Korean human rights had received substantial criticisms, yet, Ban observed, there were no differences with the U.S. over goals and objectives. The ROKG strongly believed that dialog and engagement would lead to improved conditions in North Korea. This was why the Kaesong Industrial Complex (KIC) was so important. Ban also observed that he had detected signs that the international community viewed the KIC more positively now.
- 13. (C) The Ambassador agreed that Seoul and Washington had the common objectives on North Korea. Given the strong interest in human rights in the U.S. in North Korean human rights, however, it would be helpful if the ROK could address the issues more in public. Expressing appreciation for MOFAT's help in accommodating the visit of recent

congressional staffdels and Embassy officials to the KIC, the Ambassador said that the visits had been very useful. Our officers saw, first-hand, working conditions in the KIC, which appeared clean, modern and comfortable. KIC workers also looked reasonably healthy. The key issue, the Ambassador said, was whether they were getting reasonable wages, although it appeared that their wages were higher than those prevailing outside the complex.

- 14. (C) Ban said that he planned to organize a visit to the KIC some time in June. He would invite all Seoul-based ambassadors; perhaps, Ambassador Vershbow could join too.
- 15. (C) The Ambassador said that the U.S. and ROK Embassies in Bangkok had been working closely on processing the six North Korean refugees wanting to be resettled in the United States. Ban said that MOFAT would be prepared to assist in any way it could to make an early resettlement possible. Ban also observed that Beijing had slowed down significantly on sending North Korean refugees to South Korea. Most of the refugees in South Korean diplomatic compounds and schools had now waited for more than a year, compared to 3-6 months before. Understandably, the refugees were very frustrated and tired, and some were even considering giving up and taking the risky step of reentering China. The Ambassador said that China's treatment of North Korean refugees was significantly hurting its image, noting that the President had raised the case of Kim Chun-hee, who had been forcibly sent back to North Korea by the Chinese earlier this year.
- 16. (C) Responding to the Ambassador's skepticism that North Korea was serious about reforms, Ban said that such changes were very difficult. Ban thought that like any dictator, Kim Jong-Il had to listen to the military. North Korean generals were undoubtedly telling KJI that opening up the system would

bring severe consequences. The generals knew that they would be the first to be "sacrificed." Their message to KJI would be: we live together or die together. South Korean dictators, like former Presidents Park Chung-hee and Chun Doo-hwan, had experienced the same pressure to resist change from their fellow coup plotters, Ban said.

Environmental Remediation

- 17. (C) The Ambassador said that the current offer on the table to environmentally clean-up the bases being returned to the ROK, the so-called LaPorte package, was a good one. Unfortunately, this offer had not earned the ROKG's support yet, and USFK was beginning to implement the package without consensus. Nevertheless, the Ambassador hoped that the South Korean side would be able to approve the package by mid-May for the next SPI session.
- 18. (C) Ban recalled that he and NSA Song Min-soon had expended enormous efforts to win acceptance of the USG offer, but the outgoing Environment Minister had balked. This weekend, he would be seeing the new environment minister; he would give the package another push. Still, Ban thought there was too much resistance in the NGO community. Ultimately, Ban assessed, President Roh would have to make the decision. North America Director General Cho Tae-young said MOFAT continued to favor a consensus approach, but it would be hard for the ROKG politically to accept it on a "take it or leave it" basis; some strengthening of the measures may be needed.

Boeing Advocacy

19. (C) The Ambassador emphasized the USG's strong support for Boeing 737 Airborne Early Warning and Control Aircraft (AWACs) in the EX procurement. Boeing continued to enjoy sole USG advocacy. The Boeing system alone provided the requisite level of interoperability to meet the alliance needs. As we moved forward on adjusting command relations, it was even more important for Korea to have the best

possible command-and-control capability. The Ambassador also emphasized the need to close the bidding process on April 30, as planned.

¶10. (C) Ban said that price competitiveness remained a big factor and that he understood that Boeing's competitor product carried a much lower price tag. Ban took note of the information that this competitor had never produced the proposed system and the Ambassador's argument regarding command and control.

FTA

- 111. (C) The Ambassador said that there had been a lot of press coverage on those opposing the U.S.-ROK FTA. A number of politicians seemed to be getting cold feet, including Uri Party leader Chung Dong-yong.
- 112. (C) Ban noted that most South Korean politicians followed the public opinion. This was quite unfortunate, because they should have the courage to stick to their own beliefs. President Roh, however, was different. Roh had placed the highest political priority on the FTA; he would stick to his commitments, Ban assessed.

VERSHBOW